Contn. IX-37—300,000—21-6-48.

Development (1949) Department.

MS **SERIES.**

G.O. No. 13

Dated 3.1.49

[Despatch Abstract.]

TEXTILES - Mill Cloth - Distribution scheme - Increase in the quota of Province - Selection of additional dealers - Ordered.

GOVERNMENT OF MADRAS

ABSTRACT

TEXTILES - Mill cloth - Distribution Scheme - Increase in the quota of province - Selection of additional dealers - Ordered.

DEVLOPMENT DEPARTMENT

G.O.Ms.No.13 Dated the 3rd January 1949.

Read the following:-

G.O.No.4730 Devlopment d/17-9-1948.
Letter from the Provincial Textile Commissioner No.67787/C-1/48 d/23-12-1948.

O R D E R:

In G.O. No.4730 Development dated 17-9-1948 the Government issued detailed instructions in regard to the permanent arrangments for the distribution of mill cloth in the Province during the Control ~~xxxx~~ period. The number of wholesale and retail licensees to be selected from the trade channels for each District was given in Appendix 1 to that G.O. In fixing those numbers the Government contemplated that only ~~xxxxx xxx~~ would be available 12341 bales of cloth for distribution as during last Control. Subsequently there has been an increase both in the production of local mills and the allotment from the Bombay surplus area and the total mill cloth quota for this Province has now been fixed at 24050 bales. The Registrar of Co-operative Societies has decided to confine the distribution of cloth through the co-operative organisations to the quota which is already being handled by them and not to take over any additional quantity from out of the increased allotment. The share of the trade will henceforth be 19936 bales, an increase of 9536 bales over the quota now handled by them.

2. It should therefore be now possible to enlist almost all the eligible licensees of the previous Control who have been left out under the present scheme. A statement showing the old District quota, the proposed increased quota, in each district and the number of retailers and wholesalers required to deal with the increased quota is appended to this G.O.

3. The Madras city, where there is a large concentration of wholesale dealers, has to be treated on a different footing, if the bulk of the old dealers are to be licensed without seriously affecting the quota of cloth allotted for other districts. Being an urban area it consumes more cloth. Further as there is no rationing, and purchases are unrestricted, a considerable number of people from all districts who come to the city buy a part of their requirements in the city. For these reasons, it has been decided to increase the allotment to the city by 838 bales, which is higher than the proportionate increase, allowed for the districts. There are about 189 wholesale dealers of the previous Control in the Madras City, who have been left out. All these cannot ~~xx~~ be absorbed as wholesale dealers as the increased quota is not sufficient for the purpose. With a view to absorbing them, it is, however proposed to enlist a new class of wholesale-cum-retail dealers for the city, ~~enlist~~ who will be alloted a limited quota of 4 bales, ~~xxxx~~ as against 15 bales allotted to a wholesale dealer. The wholesale-cum-retail dealer will be allowed to sell in retail also, so that he may get nearly the same margin of profit as a wholesaler. The wholesale-cum-retailer will have to take out both wholesale and retail licenses paying the necessary fees, but his deposit will be reduced to Rs.1500. He is expected to sell in retail and therefore will not be ordinarily linked with any retailer, but where a wholesale-cum-retail dealer has no facility for retail sale, he may be allowed to sell to licensed retail dealers provided he obtains the previous permission of the Collector in writing. The Collector will then link him up with specified retail dealers and when once an option to sell a retail dealer is exercised, it will be ordinarily taken

P.t.o.

taken as final so that there may be no dislocation of the distribution system.

4. As both the total margins fixed by the Government for the wholesale dealer and retail dealer include Sales Tax and the wholesale-cum-retailer will in effect be collecting the total amount allowed under both the margins including the sales tax, he will have to pay to the Government the entire amount so collected by way of sales tax-(Sec. 8B (2) of the Act)

5. The scheme of wholesale-cum-retailers will for the present be confined to the Madras city only.

6. In the determining the eligibility of the ex-licensees with reference to the instructions issued in G.O.No.5456 Development dated 4-11-1948, the Collectors appear to have adopted different standards; for instance, the Collector of Trichy estimated 42 dealers to be eligible out of 122, while the Collector of Guntur considered 848 to be eligible out of 931. In order to ensure uniformity in this regard the number of eligible dealers may be taken as about 84% in respect of retail dealers and about 80% in respect of wholesale dealers, these being the average figures work for all the districts taken together. It is realised that no rough and ready formula can be applied in this matter and that each individual case will have to be decided on merits, but Collectors are requested not to construe the instructions issued in the above G.O. too narrowly so as give room for complaints that too many old licensees have been excluded on in-sufficient grounds.

. Where the number of eligible dealers exceeds the number proposed for increase in the district, ~~the dealers should be licensed in the district~~, the dealers should be licensed in the order of their turnover during the last control, as far as possible. Where there is no sufficient number of eligible dealers from among the applicants, the Collectors may call for fresh applications and select the number required from new entrants to the trade. New entrants to the trade will be selected only after completely exhausting the eligible ex-licensees from among the new applicants.

8. As there will be a very large increase in the quota of cloth for every district, there will be need to insist on mere geographical distribution of the dealers. The new dealers may be licensed in the generality places where they have been conducting their business before.

9. The Collectors are requested to see that the selection of additional dealers is made expeditiously on the lines indicated above. It is not necessary that the Collectors should get the prior approval of the Government before proceeding to license the dealers (wholesale dealers, retail dealers and in the case of Madras city wholesale-cum-retailers also) now selected by them, but the lists should be submitted to Government through the Provincial Textile Commissioner for information and record in due course.

Sd/-x x x x x x x x
23-12-1948.

To
The Provincial Textile Commissioner.
All Collectors.
The Registrar of Co-operative Societies.
The Accountant-General.
The Business Manager, M.H.W.P.C.S.Ltd., Madras.

Appendix

~~(Here Enter Statement on page 17 c.f.)~~

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STATEMENT II.

S No.	Name of the District.	Old district quota in bales.	Proposed increase in quota in bales.	Number of retailers required for the increased quota.	Number of wholesalers required to provide for these retailers.	Number of wholesale cum - - -, retail dealers.
1	2	3	4	5	6	7
1.	Anantapur	288	202	269	13	--
2.	Bellary	258	181	241	12	--
3.	Chingleput	421	294	268	13	--
4.	Chittoor	40[illegible]	281	375	19	--
5.	Coimbatore	690	483	644	32	--
6.	Cuddapah	259	181	241	12	--
7.	East Godavari	575	402	536	27	--
8.	Guntur	559	391	521	26	--
9.	Krishna	355	248	331	17	--
10.	Kurnool	281	197	263	13	
11.	Madras	340	838	~~317~~	16	150
12.	Mathurai	601	421	561	28	--
13.	Malabar	965	675	900	45	--
14.	Nellore	397	278	371	19	--
15.	Nilgiris	52	36	48	2	--
16.	North Arcot	633	443	591	30	--
17.	Ramnad	486	340	453	23	--
18.	Salem	705	493	657	33	--
19.	South Arcot	641	449	599	30	--
20.	South Kanara	374	262	349	17	--
21.	Tanjore	631	442	589	29	--
22.	Tiruchirapalli	539	377	503	25	--
23.	Tirunelveli	607	425	567	28	--
24.	Vizagapatam	944	661	881	44	--
25.	West Godavari	339	237	316	16	--
		12,341	9,238	11,516	576	150

(TRUE COPY)

Office Assistant,
Madras Record Office.

SP/10.10.